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PUBLIC FORA ON DEREGULATION/PRIVATIZATION OF EQUIPMENT

REGISTRATION AND TELEPHONE NETWORK CONNECTION RULES

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FEDERAL COMMUNICATIONS COMMISSION

PUBLIC FORA ON DEREGULATION/PRIVATIZATION OF EQUIPMENT

REGISTRATION AND TELEPHONE NETWORK CONNECTION RULES

U.S. Federal Communications Commission Room No. 100 445 12th Street, S.W. Washington, D.C.

Monday, July 12, 1999

The parties met at 9:00 a.m.

BEFORE: SUSAN MAGNOTTI

Common Carrier Bureau

APPEARANCES:

THE COMMISSION:

DOUG SICKLER
Office of Engineering Technology

BILL HOWDEN
Common Carrier Bureau

KURT SCHROEDER
Deputy Chief, CCB
Network Services Division

DALE HATFIELD Chief, Office of Engineering & Technologies

YOG VARMA Deputy Chief, Common Carrier Bureau

ANNA M. GOMEZ

JOHN BERRESFORD Common Carrier Bureau

APPEARANCES: (Cont'd)

INDUSTRY PANELISTS:

CHUCK BERESTECKY
STEPHEN WHITESELL
NEIL SKAU
JOHN WAGNER
Lucent Technologies, Inc.

JOHN SHINN
RAYMOND L. STRASSBURGER
Nortel Networks, Inc.

JOHN GODFREY
Information Technology Industry Council

STAN ROBERTS Cisco Systems, Inc.

WILLIAM S. HURST ANH T. WRIDE Communication Certification Laboratory

TRONE BISHOP Bell-Atlantic

CLINT PINKHAM
Thomson Consumer Electronics

PAUL K. HART United States Telephone Association

CLIFF CHAMNEY Sprint

JIM HEARST
JIM SALINAS
SBS Communications, Inc.

JOSEPH O'NEILL ACIL

PIERRE AD: .TO
ROBERTA E EDEN
STEPHANIE MTGOMERY
GREG SLING RLAND
Telecommunications Industry Association

APPEARANCES: (Cont'd)

AUDIENCE PARTICIPANTS:

JOHN BIPES
GORDON GELLERMAN
JIM CARLO
BILL MCNAMARA

1	<u>PROCEEDINGS</u>
2	MR. SCHROEDER: Okay. Let me give it another shot
3	here. I was about to say my name is Kurt Schroeder. I'm
4	one of the deputy chiefs of the Common Carrier Bureau
5	Networks Services Division. I want to welcome you all here
6	and thank you for coming to our forum on Part 68
7	Privatization Streamlining Deregulation.
8	Offering opening remarks this morning will be two
9	people whom you may already be very familiar with. One is
10	Dale Hatfield, Chief of our Office of Engineering and
11	Technology. The other will be Yog Varma, Deputy Chief of
12	the Common Carrier Bureau.
13	And I guess with that, I'll turn it over to Dale.
14	MR. HATFIELD: Thank you, I appreciate the
15	offer opportunity to offer some brief very brief
16	remarks at the opening of these public fora regarding the
17	possibility of deregulating, privatizing or streamlining the
18	Commission's equipment registration and telephone network
19	connection requirements contained in Part 68 of the Rules.
20	I am especially interested in this effort because as it
21	turns out, I was here at the Commission in the mid-1970s, in
22	the early days of the Part 68 effort. And I can even
23	remember the days of acoustic couplers, phone patches and
24	protective coupling arrangements.
25	Given where we were then and where we are now, I
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- think it's clear that Part 68 has been enormously successful
- 2 in terms of encouragement of development of an extremely
- 3 robust competitive market for the provision of CPE while
- 4 protecting the telephone network from technical harm. But
- 5 as we all recognize, there have been dramatic changes in the
- 6 technology, in the telecommunications marketplace and on the
- 7 pressure on our resources here at the Commission since the
- 8 basics of the Part 68 process were established more than two
- 9 decades ago.
- 10 Given these changes, I look forward to hearing
- from the industry on what aspects of the Rules are still
- worthwhile, and which might benefit from major revision. I
- should that I am personally very supportive of the Common
- 14 Carrier Bureau's efforts to reexamine the Part 68.
- 15 Accordingly, while the Common Carrier Bureau is leading this
- 16 effort, my office, the Office of Engineering and Technology,
- is very anxious and pleased to provide technical advice and
- 18 support.
- 19 Let me close by adding my welcome and thanks to
- 20 the industry panelists who will be participating in the fora
- 21 today and tomorrow. We greatly appreciate your taking the
- 22 time at these sessions to help us in our endeavors to
- 23 reexamine Part 68.
- MR. VARMA: Thanks very much, Dale, and good
- 25 morning, everyone.

1	I, too, would like to welcome all the panelists on
2	behalf of the Common Carrier Bureau as well as the Office of
3	Engineering and Technology. I'd like to thank you all for
4	coming to these fora and sharing your insight, your
5	expertise and your judgment and informing and advising us so
6	that we can move forward on the issue that we have earmarked
7	for the three fora today and tomorrow.
8	As you know, the genesis of this proceeding and of
9	these fora goes back to the mid-70s, as Dale pointed out
10	earlier. When the customer premises equipment or CPE was
11	first opened up to competition, some of you may recall that
12	at that time, the industry said it could not be done. But
13	yes, as we know, it could be done.
14	Even when the industry was persuaded that it could
15	be done, it came back by asserting that it could only be
16	done through protective interconnecting devices, which, I
17	recall from my days at the New York Commission, often cost
18	more than the CPE that these protective devices were
19	supposed to protect against. The industry said it could not
20	be done without the protective devices, but later on, as we'
21	all know, it could be done.
22	Now, more than 20 years after that, it comes to me
23	as a little bit of a surprise as a I come to the Commission
24	from the outside, that we're still involved. The FCC is
25	still involved.

1	I think that the CPE market and the competition
2	that has been introduced in the market is one of the best
3	success stories concerning the introduction of competition
4	into radio segments of the Telecom market. As a matter of
5	fact, I believe that our next generation does not even know
6	that at one time, CPE could only be procured from the
7	monopoly telephone companies. My sons don't, as a matter of
8	fact. They can't comprehend why there was ever a need for
9	there to be a monopoly.
10	I think at this point in time in my view, we are
11	at the crossroads again. Even as I work for the government,
12	I would like the government to get off the back of people
13	to get off people's back. Even as I work for the FCC, I
14	would like to see a diminished role for the FCC as far as
15	Part 68 is concerned.
16	Of course, if there is a legitimate and compelling
17	reason for the FCC to remain involved, I think we should.
18	But in my view, our role should be as minimal as possible.
19	If the industry can come to some closure on these
20	issues, I think that our role at the FCC could be either
21	modified or reduced or perhaps eliminated altogether. After
22	all, there is a variety of segments in the Telecom industry
23	that have different, perhaps opposing interests, like in the
24	marketplace where you have buyers and sellers coming to some
25	agreement because of the inherent tension that buyers and

sellers have as far as their interests	are	concerned
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I believe that there is enough divergence in the

interests of various segments of the industry as far as CPE

is concerned, and that I believe, sets the stage for those

interests to come together on their own, I hope, without the

6 continued involvement of the FCC.

For example, the equipment manufacturers may have an interest to bring latest technology to the consumers as soon as possible. The industry operating the networks may also have an interest in ensuring that the network is not harmed. They might not share the same degree of expediency as far as the introduction of new CPE and new technology is concerned.

The testing laboratories probably come somewhere in the middle. But the point here is that there are enough divergent interests for them to be able to come to closure without Federal involvement. I think that they will need to reach some compromises, some accommodations. And they will need to reach some accords. And that, I hope, will enable them to create a new paradigm in which there is a significantly diminished role for the FCC.

In my own personal view, I think we ought to have
the following goals in these fora -- number one,
introduction of new CPE and new technology as soon as
possible on an ongoing basis with minimal delay, so that the

- 1 consumers can benefit. I think the pace of technology, as
- 2 you all know, has picked up so much that we need to come up
- with a new paradigm that doesn't slow it down.
- 4 Number two, we need to make absolutely sure that
- 5 the network is protected. Whether we do it through
- declaration of conformity, verification or even some form of
- 7 registration within the industry is something that needs to
- 8 be figured out.
- 9 Number three, as far as practicable, in my own
- personal view, the industry should manage these things on
- 11 their own, and that they ought to privatize as much as
- 12 possible.
- 13 And number four, there should be a minimal role
- 14 for the FCC to play.
- I hope you share some of these goals with me and
- 16 will provide us the tools to develop a notice of proposal
- making, first, and perhaps more substantive input later, so
- as to set the stage for the transition from a government-
- 19 regulated program to a privately administered and managed
- 20 one in due course.
- I know we can't get there tomorrow. We can't get
- there next week or next month or perhaps even next year.
- 23 But I hope that in the long run, howsoever long it takes, we
- 24 are able to reach where we need to be.
- 25 With that, I would like to address to you to

- 1 please guide us to get there, to please inform us to get
- there and let us go there as soon as we can systematically
- 3 and in an orderly manner.
- With that backdrop, we look for your guidance at
- 5 these fora. And I thank you once again, and I would pass it
- on to Susan Magnotti for continuing with the proceedings.
- 7 Thank you.
- 8 MS. MAGNOTTI: Thank you. Okay. I want to add my
- 9 welcome to everyone else's, and thank you all for coming to
- 10 participate.
- This is the first forum of our series of forums.
- 12 The title is, "Technical Criteria for CPE and
- 13 Interconnection." And this morning, we're going to consider
- the technical roles that are in Part 68.
- In our public notice that was released June 10, we
- asked three questions. The first is, as 47 C.F.R. Part 68
- 17 stands now, what rules are clearly no longer necessary? The
- 18 second question is, if specific criteria are necessary to
- 19 protect the telephone network, what are they, and why are
- 20 they necessary? And third is, if criteria to protect the
- 21 network are necessary, how shall these criteria be
- 22 structured to address the requirements of new technology?
- 23 So in order to start our forum, we are going to
- 24 have opening statements from a cross-section of the
- 25 industry. That's not to say that the FCC is considering

- 1 their comments ahead of anyone else's. It's just that we
- want to get the ball rolling with some good discussion this
- 3 morning.
- We'll take a break at about 10:30. And without
- further ado, I'd like to call on the people who are giving
- opening statements this morning, Mr. Bishop from Bell-
- 7 Atlantic, Mr. Hart from USTA, Ms. Wride from Communications
- 8 Certification Laboratory, Mr. Pinkham from Thomson Consumer
- 9 Electronics and Mr. Shinn from Nortell Networks.
- It doesn't matter what order you go in. Are you
- 11 ready? Okay.
- MR. BISHOP: Thank you. I'm Trone Bishop with
- 13 Bell-Atlantic. I'm a senior member of the technical staff
- and a new services technology department. I've been
- involved in Part 68 matters for some time, particularly as
- 16 they relate to various standards organizations such as
- 17 T(1)E(1) and TR(41).
- In Bell-Atlantic, we believe -- we are, first of
- 19 all -- we don't like regulation. We would prefer not to
- 20 have regulations. However, when it comes to Part 68, we
- 21 recognize that there does need to be mandatory regulations
- for CPE interconnecting with the network in order to protect
- 23 the network from harm.
- We feel that these should be a minimal set of
- 25 requirements, which we believe they are, not dealing with

- the compatibility or performance, but a few essential
- 2 regulations to protect the network from harm. We think we
- 3 have that in Part 68.
- 4 There are perhaps a few rules that have become
- 5 obsolete. We believe those should be removed. And we see
- 6 the biggest problem, though, is the fact that are there new
- 7 technologies that need rules in Part 68. And we think there
- 8 needs to be a method whereby the FCC can move faster to put
- 9 these rules in Part 68.
- 10 It's a pleasure for me to be here today. And I
- 11 hope for a lively discussion. I may not agree with all the
- opinions expressed today, but I certainly will listen and
- 13 try to understand.
- I notice when the comments were submitted, there
- was a -- seemed to be a high degree of consensus that there
- are some rules that are needed to protect the network from
- harm. And so, I feel like that we're off to a good start.
- 18 People seem to be willing to discuss these matters, and
- 19 there's plenty of ideas. And I look forward to talking
- 20 about them today. Thank you.
- 21 MS. MAGNOTTI: Thank you. Who would like to go
- 22 next? All right. Mr. Hart, from USTA?
- MR. HART: Good morning. My name is Paul Hart.
- 24 I'm the Vice President of Technical Disciplines of the
- 25 United States Telephone Association.

1	Like Mr. Hatfield, I was around when all of this
2	got started, too. I was with Continental, and we were
3	having a lot of fun with 1952820774, if you want to go back
4	that far. My comments are going to be very brief and
5	informal, and I, too, appreciate the opportunity to
6	participate in this activity.
7	Part 68 is, as Mr. Varma indicated, I think an
8	example of some of the best of what has been accomplished in
9	recent years and certainly has, I believe, served the
10	industry well and the public. Now, the question is, how do
11	you change it again?
12	In reviewing the comments, we also noticed almost
13	a surprising amount of enthusiasm and willingness to move
14	into a more or let's say, into a less regulated manner in
15	order to handle this. And I really do believe that we have
16	the option to do that, and USTA's comments took that
17	perspective, as well.
18	In the question it says, what rules are clearly
19 .	no longer necessary? I would not seek to sit here and throw
20	rule numbers back and forth across the table at this point.
21	I think if we really want to talk about something here today
22	and make some progress, we ought to talk about what rules we
23	think ought to stay, and not necessarily by rule number, but
24	what basic requirements do we need to keep?
25	Then that goes to the second question. If

- specific criteria are necessary to protect the telephone
- network, what are they, and why are they necessary? And
- then, how shall these criteria be structured to address the
- 4 requirements of new technology? I also echo the comment
- 5 that was made that we have a tremendous amount of new
- 6 equipment. Primarily, the one that gets all the attention
- 7 today is the various DSL structures. The T(1) committee,
- 8 even .4 is working very earnestly on that. And I think one
- 9 of the things we really need to address is, where does that
- 10 effort fit long term in this program?
- So to sum up, let me just say that at this point -
- 12 I believe that the most important thing for us to do as an
- industry is establish a consensus or an accord with full
- 14 participation or buy-in from the industry, including the
- network operators, including the manufacturers and the
- 16 Commission as to what framework and what structure we are
- 17 going to operate in.
- Because, for example, if you're going to say,
- 19 okay, let's talk about what specific Part 68 rules we don't
- 20 need anymore, you're going to need to have an environment in
- 21 which to do that so that the conclusions of the industry and
- 22 the best technical advice of the industry can be turned into
- real action. And before we can do that, I think we really
- 24 need that structure.
- I hesitated to do it, but in our comments, we --

- it's not a recommendation or a table-pounding view. But it
- 2 is possible that as we go along in this, we may find that a
- 3 Federal advisory committee or something of that sort would
- 4 be helpful because it looks deceivingly simple when you
- 5 start this. Well, you just get rid of this, and you do
- 6 that. We are talking about developing an entire new
- 7 structure.
- 8 And to the extent that the FCC wants to withdraw
- 9 as much as possible, in the item itself, the FCC has
- 10 districted some segments of the rules that it says it will
- 11 not abandon. And we understand the reason for that from a
- 12 statutory prospective.
- We need to -- before we can really make any
- 14 progress, I really believe the industry and the Commission
- needs to establish a basic understanding and accord as to
- 16 what we are going to do, what framework we're going to
- 17 proceed within. And I think a Federal advisory committee
- 18 might be helpful in that regard. But having said that,
- 19 that's enough. And I thank you very much for your time.
- 20 MS. MAGNOTTI: Thank you. Ms. Wride?
- 21 MS. WRIDE: My name is Anh Wride, and I'm the
- 22 Director of Engineering for Communications Certification
- 23 Lab. CCL is a test lab and a certification body with
- 24 experience in working with the FCC Part 68 since the time
- 25 that the program started.

1	We have followed the development of the rules from
2	the days when the customer was not allowed to own its own
3	equipment. We have been instrumental in the harmonization
4	of the Part 68 technical requirements between the U.S. and
5	Canada. We appreciate the opportunity to provide input in
6	these forums regarding the Part 68 and its future.
7	In the present forum, three issues have been
8	identified. With regard to issue one, as Part 68 stands
9	now, what rules are clearly no longer necessary? CCL would
10	submit that there are no redundant nor obsolete criteria to
11	be discarded in the current Part 68.
12	Part 68 has just undergone a massive streamlining
13	process as a result of the harmonization with the Canadian
14	CSO3. During this process, the obsolete portions of Part 68
15	have been either removed or updated. However, to reduce the
16	bulk of the document, some portions of Part 68 dealing with
17	technical content such as most of Subpart D and Subpart F
18	can be moved to a separate, privatized special industry
19	standard.
20	For discussion purposes, this private sector
21	maintain the standard would be referred to as the ANSI Part
22	68. And I will use the term C.F.R. Part 68 to refer to the
23	document that will be that's still within the FCC's
24	control and publishment of their Federal Register.
25	The section so moved will be replaced within the

- 1 C.F.R. Part 68 by a one paragraph reference to a specific
- issue of that industry standard. By referencing a specific
- 3 issue of that standard, the FCC retains control over the
- 4 adoption of the standard, and the practice of incorporation
- 5 by reference is already being used in various sections of 47
- 6 C.F.R..
- 7 CCL estimates that 85 percent or approximately 132
- 8 pages of the entire Part 68 can be reduced in this fashion.
- 9 The requirements do not disappear since they are still
- 10 present, in fact, the C.F.R. Part 68. However, the
- 11 reference industry standard would provide the actual
- 12 contents of the requirements.
- 13 With regard to Issue 2, if specific criteria are
- 14 necessary to protect the telephone network, what are they,
- and why are they necessary? Historically, Part 68 was based
- on four broad types of harm -- the protection of the
- telephone company's personnel, the prevention of damage to
- telephone company's equipment, prevention of malfunction of
- 19 telephone company's billing equipment, and prevention of
- 20 degradation of service to third parties.
- These type of harms are still a valid concern
- 22 today, particularly, since twisted cup repairs remain in use
- as a means of interconnection. Therefore, the rules that
- 24 support the protection against these harm types must be
- 25 retained in Part 68.

1	With regard to Issue 3, if criteria to protect the
2	network are necessary, how shall these criteria be
3	structured to address the need of new technologies? CCL
4	would submit that the current regulatory environment
5	produces protracted delays in the adoption of technical
6	rules for new technologies, which demand a fast and timely
7	implementation.
8	In order to address the needs of new technologies,
9	as well as furthering the continual streamlining of
10	regulations, most of the technical requirements in Part 68,
11	as mentioned before, such as those found in Subpart D and
12	Subpart F can be moved to an industry standard under the
13	stewardship of a standards development organization or SDO.
14	The details regarding the selection criteria of this body
15	will be presented as part of Forum 2 this afternoon.
16	The main point affecting the focus of this forum
17	regarding the SDO concept is that this private body will
18	have the industry expertise to respond more quickly to
19	technological innovations and to formulate practical and
20	effective requirements.
21	The CCL handouts contains an appendix proposing
22	the actual wording for each of the sections of the C.F.R.
23	Part 68 that are to be replaced by the paragraph referencing
24	the industry standard. CCL fully supports the use of
25	industry consensus forums to develop technical requirements.

- 1 However, CCL would urge the Commission to preserve the
- 2 C.F.R. Part 68 because a single, uniform standard that has
- 3 the force of law is essential to force the competition to
- 4 promote economic growth as well as leveling the playing
- 5 field for manufacturers, network operators, and consumers
- 6 alike. Thank you.
- 7 MS. MAGNOTTI: Thank you, Ms. Wride. Mr. Pinkham?
- 8 MR. PINKHAM: Hi, there. My name is Clint
- 9 Pinkham. I'm with Thomson Consumer Electronics. I guess my
- title for this week is manager of communications standards.
- Unlike those that have just spoken, my entire
- 12 career in the communications business is a total of about
- 13 two and a half years now. I'm a relative newcomer.
- 14 However, I have spent a lot of time in consumer electronics
- and other fields, which I suppose gives me some sort of
- basis for making some comments in this forum.
- I look at the FCC's questions, and I find them
- 18 just a tad out of order. The first one, which sections are
- 19 clearly no longer necessary, to me, is secondary to the
- 20 second question, what is necessary? Once you determine
- 21 what's necessary, then, basically, you throw out everything
- 22 else. So I'd like to address that first.
- 23 And let me say that what is necessary is a set of
- 24 regulations that have the force of law. I deal on a daily
- 25 basis with what might be called third tier manufacturers in

- the Far East who essentially, when it comes to a set of
- 2 specifications, don't care what the consumer wants. They
- 3 don't care what the manufacturer -- what the seller wants.
- 4 They care, what's the rule? They want to know what that is.
- 5 And so, I firmly believe that there should be a rule
- 6 somewhere that has the force of law.
- 7 But what should that rule be? Very simply, the
- 8 marketplace is very, very good at determining performance.
- 9 If somebody doesn't perform, they die. But the marketplace
- is not necessarily capable of determining harm to the
- 11 network or third party harm. These are secondary effects as
- 12 far as the producer of the equipment's concerned. So I
- 13 believe that there is a real need in Part 68 for the
- protection of the network definition that's already there.
- And I think it's a pretty good one that's already there.
- 16 That being said, the remaining question is --
- well, I'll get back to Number 1 later, but how should Part
- 18 68 be structured? As I say, I don't have the experience
- 19 with Part 68 that most of my colleagues here do, but --
- 20 well, let's see. How do we say this without offending
- 21 anybody? I have a lot of experience with Part 15. And it
- seems to me that that's a reasonably good model for how Part
- 23 68 could be structured.
- Essentially, if you look at Part 15, it defines
- what you can do to the ether or the system of the network,

1	if you will, by accident. It defines a set of minimum
2	signals that you can put out and says anybody can do this at
3	any frequency they like. And then, there are a set of
4	specific requirements that apply to various frequency bands
5	throughout the electromagnetic spectrum.
6	Obviously, the telephone lines are now being used
7	by much, much more than voice communication. And I think
8	that a similar approach to that in Part 15 is warranted. In
9	other words, an amplitude versus frequency, however you want
10	to do it kind of approach to protecting the telephone
11	company circuitry. Basically, the signal limitation has to
12	have a frequency dimension on it as well as an amplitude.
13	Okay. That being the next derivative of what's
14	necessary, then what are some of the things that are no
15	longer necessary? It seems to me there's kind of a lot of
16	froufrou in Part 68. Anh touched on this.
17	There's a big section on connectors and jacks that
18	I think is valuable. It defines sort of an interface
19	between the telephone itself and the telephone lines. It's
20	nice, but I don't believe it needs the force of law. And of
21	course, if you adopt a new paradigm for how 68 will work,
22	then the entire registration procedure itself becomes a
23	matter of question and probably should be replaced.

do thank you very much for the opportunity to say it.

24

25

Basically, that's about all I have to say, but I

T	MS. MAGNOTTI: Ittalik you. Mr. Sillini.
2	MR. SHINN: Thank you. Good morning. My name is
3	John Shinn. I'm the regulatory agency manager for Nortel
4	Networks.
5	A brief history, I started my telecommunications
6	background as a engineer of Western Electric trying to
7	upgrade panel systems, for those who know, in San Francisco
8	quite a few years ago, and have progressed through various
9	things from modem manufacture to running a private lab to
10	presently as Nortel Networks.
11	Anyway, I wish to thank you for inviting me and
12	Nortel Networks to participate in these fora to discuss the
13	options of streamlining and eliminating equipment
14	registration, telephone network connection requirements.
15	Nortel Networks believes that 47 C.F.R. Part 68
16	rules are necessary and relevant to the purpose of defining
17	requirements for attaching terminal equipment to the public
18	switch network, particularly, since a twisted copper pair
19	remain in use as a means of connecting customer premises
20	equipment to the central office.
21	The primary purpose of the rules has always been
22	and should continue to be to protect the network from harm.
23	As stated earlier, these can be broken into four categories
24	That you protect the network equipment from harm, to protec
25	the network personnel from harm, and protect the third part
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from harm, for example, cross-talk, and the fourth	1	from harm,	for example,	cross-talk,	and the	fourth,	of
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- course, is a billing protection. These harm conditions were
- 3 valid in the beginning of the Part 68 program and are still
- 4 valid in today's environment and in the foreseeable future.
- It is imperative, however, that Part 68 continue
- 6 with at least a minimal set of rules as a national
- 7 requirement to prevent the previous mentioned harms from
- 8 occurring. Furthermore, this minimal set of rules would
- 9 provide federal preemption and prevent state regulators from
- 10 imposing differing requirements relating to telecom
- 11 equipment attachments resulting in an unnecessary expense
- 12 for manufacturers and operators.
- 13 Part 68 should not be eliminated, but maintained
- 14 and changed as the environment and technology requires. We
- believe that the reliance on the marketplace in lieu of Part
- 16 68 is not a viable alternative.
- 17 We feel that there are some rules which are no
- longer necessary, should be eliminated, while others should
- 19 be changed. And the Nortel Networks believes that the
- 20 standards development organization such as a TIA and T(1)
- 21 could undertake a project to review the relevance of the
- 22 existing technical requirements contained in Part 68. In
- 23 addition, the review of the new and emerging technologies
- 24 which should be incorporated into the rules could also be
- 25 addressed.

1	We feel that the rules and the rulemaking process
2	should be flexible enough to allow the adoption of new and
3	changing technology without an extensive time delay between
4	introduction of the new technology and the ability to market
5	the technology. And we believe that this can best be
6	achieved by the involvement of standard development
7	organizations. Thank you.
8	MS. MAGNOTTI: Thank you. The rest of the panel
9	will be questions and discussion. And I'd first like to ask
10	if there are any Commission questions at the moment.
11	There'll be more chances later.
12	MR. VARMA: I have a couple of questions,
13	actually. I think we have heard from the telephone
14	industry, the industry that operates the network. We have
15	heard from laboratories that do the testing. We have heard
16	from equipment manufacturers, I suppose, and companies that
17	manufacture switches, et cetera.
18	Is it fair for me to say that by and large the
19	consensus here of the speakers this morning is that we must
20	retain Part 68 or the bulk of Part 68 because these rules
21	are required to maintain the integrity of the network? And
22	we may have dozens of rules within Part 68. And the
23	consensus appears to be that maybe there are two or three or
24	four of those rules or subrules that we can do without. But
25	by and large, the bulk of what we still need is for protection.

1	Is that a fair statement that we need Part 68 in
2	some form or the other?
3	MR. SALINAS: As a mandatory, regulatory version,
4	yes, sir, because that is the only place that it is a court
5	of law where I can say, "You will not harm by network. You
6	will not harm by people, and you will not interfere with my
7	other customers." Anything that's done by a standards body
8	is strictly voluntary. And in that scenario, I cannot take
9	somebody in a court of law and say, "You did not comply with
10	a voluntary standard," versus "You did not comply with a
11	mandatory standard that carries the power of law."
12	MR. VARMA: Okay. Paul?
13	MR. HART: Yes. Paul Hart. Thank you. The
14	observation I would have is that it is true. That a
15	standards body, by definition, their requirements aren't
16	mandatory, but the FCC could take action or could establish
17	a framework by which the results of some of those specific
18	activities could have that force. So you would I believe
19	there is the opportunity to take advantage of the relative
20	speed.
21	You know, there are some people that'll snicker,
22	but the relative speed of a body like that to develop and
23	work on issues and generate new standards, and at the same
24	time have the FCC be able to recognize those and have them,
25	in essence, have the force of law. So I think we have that